

**Amlslamic Bank Berhad**

(Company No. 295576–U)  
(Incorporated in Malaysia)

**Interim Financial Statements  
For the Financial Period  
1 April 2011 to  
31 December 2011  
(In Ringgit Malaysia)**

**AmlIslamic Bank Berhad**  
(Incorporated in Malaysia)

**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2011**

		<b>31 December 2011 RM'000</b>	<b>31 March 2011 RM'000</b>
	<b>Note</b>		
<b>ASSETS</b>			
Cash and short-term funds		3,710,607	4,738,758
Deposits and placements with banks and other financial institutions		150,000	250,000
Derivative financial assets		4,791	3,258
Financial assets held-for-trading	A8	2,103,217	991,136
Financial investments available-for-sale	A9	274,163	715,937
Financing and advances	A10	15,345,274	13,247,076
Other assets	A11	118,914	124,657
Statutory deposit with Bank Negara Malaysia	A12	513,000	-
Deferred tax asset		142,631	118,406
Property and equipment		532	654
Intangible assets		159	278
<b>TOTAL ASSETS</b>		<b>22,363,288</b>	<b>20,190,160</b>
<b>LIABILITIES AND EQUITY</b>			
Deposits and placements of banks and other financial institutions	A13	1,373,773	1,467,556
Derivative financial liabilities		4,768	3,254
Deposits from customers	A14	17,022,558	15,249,655
Term funding		800,013	550,000
Bills and acceptances payable		668,600	879,522
Subordinated Sukuk Musharakah		600,000	400,000
Other liabilities	A15	337,235	242,001
Provision for zakat		1,356	559
<b>TOTAL LIABILITIES</b>		<b>20,808,303</b>	<b>18,792,547</b>
Share capital		403,038	403,038
Reserves		1,151,947	994,575
<b>Equity attributable to equity holder of the Bank</b>		<b>1,554,985</b>	<b>1,397,613</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>22,363,288</b>	<b>20,190,160</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A26	<b>7,481,431</b>	<b>7,595,982</b>
<b>NET ASSETS PER SHARE (RM)</b>		<b>3.86</b>	<b>3.47</b>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 March 2011.

**AmlIslamic Bank Berhad**  
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**UNAUDITED INCOME STATEMENT**  
**FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2011**

	Note	Individual Quarter		Cumulative Quarter	
		31 December 2011 RM'000	31 December 2010 RM'000	31 December 2011 RM'000	31 December 2010 RM'000
Income derived from investment of depositors' funds and others	A16	316,378	262,268	929,024	771,134
Income derived from investment of shareholder's funds	A17	36,515	38,586	107,204	117,666
Allowance for impairment on financing and advances	A18	(35,651)	(88,151)	(128,025)	(156,415)
Impairment writeback on financial investments		-	2,727	18	4,218
Provision for commitments and contingencies		(1,135)	(1,677)	(3,201)	(2,891)
Transfer (to)/from profit equalisation reserve		(3,332)	13,078	(4,756)	30,897
Total distributable income		312,775	226,831	900,264	764,609
Income attributable to the depositors	A19	(145,916)	(113,419)	(434,082)	(323,012)
Total net income		166,859	113,412	466,182	441,597
Other operating expenses	A20	(70,791)	(65,676)	(216,229)	(210,525)
Finance cost		(16,827)	(10,761)	(38,358)	(22,742)
<b>Profit before zakat and taxation</b>		<b>79,241</b>	<b>36,975</b>	<b>211,595</b>	<b>208,330</b>
Zakat		(230)	(177)	(1,099)	(577)
Taxation		(18,084)	(10,451)	(51,319)	(54,325)
<b>Profit for the period</b>		<b>60,927</b>	<b>26,347</b>	<b>159,177</b>	<b>153,428</b>
<b>Earnings per share (sen) - basic/fully diluted</b>	A21	<b>15.12</b>	<b>6.54</b>	<b>39.49</b>	<b>38.07</b>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 March 2011.

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**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2011**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit for the period	<u>60,927</u>	<u>26,347</u>	<u>159,177</u>	<u>153,428</u>
Other comprehensive loss:				
Net loss on				
financial investments				
available-for-sale	(2,301)	(7,907)	(2,372)	(4,336)
Income tax relating to the				
components of other				
comprehensive income	<u>575</u>	<u>1,980</u>	<u>593</u>	<u>1,084</u>
Other comprehensive loss				
for the period,				
net of tax	<u>(1,726)</u>	<u>(5,927)</u>	<u>(1,779)</u>	<u>(3,252)</u>
Total comprehensive income				
for the period	<u>59,201</u>	<u>20,420</u>	<u>157,398</u>	<u>150,176</u>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 March 2011.

Company No. 295576–U

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**UNAUDITED STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2011**

	<----- Attributable to Equity Holder of the Bank----->					
	<----- Non-distributable ----->			Distributable		
	Share Capital RM'000	Share Premium RM'000	Statutory Reserve RM'000	Available For-Sale Reserve RM'000	Retained Earnings RM'000	Total RM'000
<b>At 1 April 2010</b>	403,038	534,068	265,169	(3,291)	84,974	1,283,958
Total comprehensive income/(loss) for the period	-	-	-	(3,252)	153,428	150,176
Transfer to statutory reserve	-	-	31,770	-	(31,770)	-
Dividends	-	-	-	-	(39,901)	(39,901)
<b>At 31 December 2010</b>	<u>403,038</u>	<u>534,068</u>	<u>296,939</u>	<u>(6,543)</u>	<u>166,731</u>	<u>1,394,233</u>
<b>At 1 April 2011</b>	403,038	534,068	304,316	(6,324)	162,515	1,397,613
Total comprehensive income/(loss) for the period	-	-	-	(1,779)	159,177	157,398
Transfer to ESS shares recharged - difference on purchase price of shares vested	-	-	-	-	(26)	(26)
<b>At 31 December 2011</b>	<u>403,038</u>	<u>534,068</u>	<u>304,316</u>	<u>(8,103)</u>	<u>321,666</u>	<u>1,554,985</u>

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 March 2011.

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**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL QUARTER ENDED 31 DECEMBER 2011**

	<b>31 December 2011 RM'000</b>	<b>31 December 2010 RM'000</b>
Profit before zakat and taxation	211,595	208,330
Adjustments for non-operating and non-cash items	137,169	147,565
Operating profit before working capital changes	<u>348,764</u>	<u>355,895</u>
Changes in working capital:		
Net change in operating assets	(3,510,763)	(1,867,766)
Net change in operating liabilities	1,546,055	657,920
Tax paid	(60,610)	(20,672)
Zakat paid	(303)	(401)
Net cash used in operating activities	<u>(1,676,857)</u>	<u>(875,024)</u>
Net cash generated from investing activities	448,706	665,723
Net cash generated from/(used in) financing activities	200,000	(39,901)
Net decrease in cash and cash equivalents	<u>(1,028,151)</u>	<u>(249,202)</u>
Cash and cash equivalents at beginning of the period	<u>4,738,758</u>	<u>3,886,453</u>
Cash and cash equivalents at end of the period	<u><u>3,710,607</u></u>	<u><u>3,637,251</u></u>

For purposes of Statement of Cash Flows, cash and cash equivalents comprise cash and bank balances and money at call and deposit placements maturing within one month ("Cash and short-term funds").

The Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Bank for the year ended 31 March 2011.

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**Notes to the Condensed Interim Financial Statement for the quarter ended 31 December 2011**

**A1. Basis of Preparation**

These unaudited condensed interim financial statements have been prepared in accordance with the applicable disclosure provisions of Financial Reporting Standard (“FRS”) 134, Interim Financial Reporting issued by the Malaysian Accounting Standards Board (“MASB”). The financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the annual financial statements of the Bank as at and for the year ended 31 March 2011.

The accounting policies and methods of computation applied in these condensed interim financial statements are consistent with those adopted in the most recent audited annual financial statements for the year ended 31 March 2011 except for the adoption of the following FRSs and Technical Releases:

- FRS 1, First-time Adoption of Financial Reporting Standards
- Amendments to FRS 1, Limited Exemption from Comparative FRS 7, Disclosures for First-time Adopters and Additional Exemptions for First-time Adopters
- Amendments to FRS 2, Share-based Payment and Group Cash-settled Share-based Payment Transactions
- FRS 3, Business Combinations
- Amendments to FRS 5, Non-current Assets Held for Sale and Discontinued Operations
- Amendments to FRS 7, Improving Disclosures about Financial Instruments
- FRS 127, Consolidated and Separate Financial Statements
- Amendments to FRS 138, Intangible Assets
- IC Interpretation 4, Determining Whether an Arrangement contains a Lease
- Amendments to IC Interpretation 9, Reassessment of Embedded Derivatives
- IC Interpretation 12, Service Concession Arrangements
- IC Interpretation 16, Hedges of a Net Investment in a Foreign Operation
- IC Interpretation 17, Distributions of Non-cash Assets to Owners
- IC Interpretation 18, Transfers of Assets from Customers
- Amendments to FRSs contained in Improvements to FRSs (2010)
- TR i-4, Shariah Compliant Sale Contract

The adoption of the Amendments to FRS 7 which promotes enhanced disclosures on fair value measurement of financial instruments via the introduction of the concept of the fair value hierarchy will only affect disclosures and will not have any financial impact on the results of the Bank.

The adoption of the other FRSs and Technical Releases did not have any material impact on the financial results of the Bank as they mainly deal with accounting policies affecting transactions which do not form part of the Bank's normal business operations or transactions where the Bank has no or only minimal exposure.

**A1. Basis of Preparation (Contd.)**

On 19 November 2011, the MASB issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (“MFRS Framework”).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141, Agriculture (“MFRS 141”) and IC Interpretation 15, Agreements for Construction of Real Estate (“IC 15”), including its parent, significant investor and venturer.

The Bank will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 March 2013. In presenting its first MFRS financial statements, the Bank will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. The majority of the adjustments required on transition will be made, retrospectively, against opening retained profits.

The Group has established a project team to plan and manage the adoption of the MFRS Framework.

The Bank has not completed its assessment of the financial effects of the differences between Financial Reporting Standards and accounting standards under the MFRS Framework. Accordingly, the financial performance and financial position as disclosed in these interim financial statements could be different if prepared under the MFRS Framework.

The Bank considers that it is achieving its scheduled milestones and expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 March 2013.



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**A2. Audit Qualification**

The auditors' report on the audited annual financial statements for the financial year ended 31 March 2011 was not qualified.

**A3. Seasonality or Cyclicity of Operations**

The operations of the Bank are not materially affected by any seasonal or cyclical fluctuation in the current financial quarter and period.

**A4. Unusual Items**

There were no unusual items during the current financial quarter and period.

**A5. Use of Estimates**

There was no material change in estimates of amounts reported in the prior financial years that have a material effect on the financial quarter ended 31 December 2011.

**A6. Issuance, Cancellation, Repurchase, Resale and Repayment of Debt and Equity Securities**

On 30 September 2011, the Bank implemented a new Subordinated Sukuk Musharakah programme ("Sukuk Musharakah") of RM2.0 billion. The purpose of the programme is to increase the Bank's Tier 2 capital. On the same date, RM600 million subordinated securities were issued under this programme. The Sukuk Musharakah carries a profit rate of 4.4% per annum payable on a semi-annual basis. The Sukuk Musharakah is for a period of ten (10) years. The Bank may exercise its call option and redeem in whole (but not in part) the Sukuk Musharakah on the 5th anniversary of the issue date or on any anniversary date thereafter at 100% of the principal amount together with the expected profit payments.

On 21 December 2011, the Bank early redeemed the RM400 million Subordinated Sukuk Musharakah (which qualifies as Tier 2 capital of the Bank) issued on 21 December 2006.

There were no other issuance, cancellation, repurchase, resale and repayment of debt securities during the financial quarter and period.

There were no share buy-backs, share cancellations, shares held as treasury shares nor resale of treasury shares by the Bank during the financial quarter and period.

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**A7. Dividends**

The directors do not recommend the payment of any dividend in respect of the financial quarter ended 31 December 2011 and no dividends were paid in the current financial quarter and period.

**A8. Financial Assets Held-for-trading**

	<b>31 December 2011 RM'000</b>	<b>31 March 2011 RM'000</b>
<b>At fair value</b>		
Money Market Securities in Malaysia:		
Malaysian Government Investment Certificates	482,086	549,823
Islamic Treasury Bills	29,241	18,302
Sukuk Bank Negara Malaysia	-	1,469
Bank Negara Malaysia Monetary Notes	1,124,600	179,241
	<u>1,635,927</u>	<u>748,835</u>
Unquoted securities in Malaysia:		
Private debt securities	467,290	242,301
Total financial assets held-for-trading	<u>2,103,217</u>	<u>991,136</u>

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**A9. Financial Investments Available-for-sale**

	<b>31 December 2011 RM'000</b>	<b>31 March 2011 RM'000</b>
<b>At fair value</b>		
Money Market Securities in Malaysia:		
Malaysian Government Investment Certificates	-	190,141
Negotiable instruments of deposit	29,985	348,470
	<u>29,985</u>	<u>538,611</u>
Quoted securities in Malaysia:		
Unit trusts	30,000	10,000
Unquoted securities in Malaysia:		
Private debt securities	214,178	167,326
Total financial investments available-for-sale	<u>274,163</u>	<u>715,937</u>

The Bank was appointed Islamic Principal Dealer ("i-PD") by Bank Negara Malaysia ("BNM") for Islamic Government and BNM Sukuk Berhad issuances with effect from 1 July 2009 until 31 December 2012.

As i-PD, the Bank is required to undertake certain obligations as well as accorded certain incentives in the appointment period. One of the incentives accorded is the eligibility to maintain Statutory Reserve Requirement ("SRR") in the form of Government Investment Certificates ('GIC') holdings instead of cash. As at 31 December 2011, there were no GIC holdings maintained for SRR purposes (31 March 2011: RM190.3 million).

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**A10. Financing and Advances**

<b>By type of financing</b>	<b>31 December</b>	<b>31 March</b>
<b>At amortised cost:</b>	<b>2011</b>	<b>2011</b>
	<b>RM'000</b>	<b>RM'000</b>
Cash lines	624,779	376,204
Term financing	4,806,836	4,349,114
Revolving credit	1,059,919	1,589,565
House financing	570,596	461,631
Hire-purchase receivables	8,683,353	7,323,963
Credit card receivables	319,039	303,753
Trust receipts	96,290	89,747
Claims on customers under acceptance credit	1,106,480	957,590
	<u>17,267,292</u>	<u>15,451,567</u>
Less: Islamic financing sold to Cagamas Berhad	<u>(1,450,041)</u>	<u>(1,700,034)</u>
Gross financing and advances	15,817,251	13,751,533
Allowances for impairment on financing and advances		
- Collective allowance	(457,356)	(479,010)
- Individual allowance	(14,621)	(25,447)
Net financing and advances	<u>15,345,274</u>	<u>13,247,076</u>

\* Included in Term financing is financing amounting to RM53,431,000 (31 March 2011: RM202,955,000) which is exempted from collective allowance by Bank Negara Malaysia.

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**A10. Financing and Advances (Contd.)**

**A10a. By contract**

	<b>31 December 2011 RM'000</b>	<b>31 March 2011 RM'000</b>
Bai' Bithaman Ajil	2,946,615	2,364,361
Ijarah/AI-Ijarah Thumma AI-Bai'	7,233,312	5,623,929
Musharakah	667	-
Murabahah	1,292,598	1,271,257
Other Islamic contracts	4,344,059	4,491,986
Gross financing and advances	<u>15,817,251</u>	<u>13,751,533</u>

**A10b. By type of customer**

	<b>31 December 2011 RM'000</b>	<b>31 March 2011 RM'000</b>
Domestic non-bank financial institutions	78,732	134,867
Domestic business enterprises		
- Small medium enterprises	1,867,282	1,431,397
- Others	4,467,660	3,824,101
Government and statutory bodies	100,234	260,385
Individuals	9,295,307	8,093,551
Other domestic entities	1,835	1,783
Foreign entities	6,201	5,449
Gross financing and advances	<u>15,817,251</u>	<u>13,751,533</u>

**A10c. By geographical distribution**

	<b>31 December 2011 RM'000</b>	<b>31 March 2011 RM'000</b>
In Malaysia	<u>15,817,251</u>	<u>13,751,533</u>

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**A10. Financing and Advances (Contd.)**

**A10d. By profit rate sensitivity**

	<b>31 December 2011 RM'000</b>	<b>31 March 2011 RM'000</b>
Fixed rate		
- House financing	271,531	292,844
- Hire purchase receivables	5,744,260	5,195,687
- Other financing	5,134,179	5,010,842
Variable rate		
- Base financing rate plus	2,550,484	934,352
- Cost plus	2,116,797	2,317,808
Gross financing and advances	<u>15,817,251</u>	<u>13,751,533</u>

**A10e. By sector**

	<b>31 December 2011 RM'000</b>	<b>31 March 2011 RM'000</b>
Agriculture	335,395	186,591
Mining and quarrying	44,135	20,023
Manufacturing	2,042,819	1,500,987
Electricity, gas and water	164,517	99,824
Construction	537,369	806,342
Wholesale, retail trade, restaurant and hotel	604,678	482,391
Transport, storage and communication	810,944	764,120
Finance, insurance, real estate and business activities	1,497,218	1,322,585
Education and health	470,869	415,475
Household	10,751,549	9,765,682
of which:		
- purchase of residential properties	560,800	453,697
- purchase of transport vehicles	8,003,106	6,882,486
- others	2,187,643	2,429,499
Others	7,799	87,547
Less: Islamic financing sold to Cagamas Berhad	(1,450,041)	(1,700,034)
Gross financing and advances	<u>15,817,251</u>	<u>13,751,533</u>

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**A10. Financing and Advances (Contd.)**

**A10f. By residual contractual maturity**

	<b>31 December 2011 RM'000</b>	<b>31 March 2011 RM'000</b>
Maturing within one year	2,879,756	3,090,124
One year to three years	1,907,547	1,374,951
Three years to five years	2,322,138	2,405,274
Over five years	8,707,810	6,881,184
Gross financing and advances	<u>15,817,251</u>	<u>13,751,533</u>

**A10g. Impaired financing and advances by geographical distribution**

	<b>31 December 2011 RM'000</b>	<b>31 March 2011 RM'000</b>
In Malaysia	<u>225,698</u>	<u>320,418</u>

**A10h. Impaired financing and advances by sector**

	<b>31 December 2011 RM'000</b>	<b>31 March 2011 RM'000</b>
Agriculture	315	429
Mining and quarrying	84	106
Manufacturing	20,282	28,397
Electricity, gas and water	56	1
Construction	2,094	5,201
Wholesale, retail trade, restaurant and hotel	3,696	23,584
Transport, storage and communication	529	1,714
Finance, insurance, real estate and business activities	-	2,948
Education and health	14,182	1,834
Household	184,460	256,119
of which:		
- purchase of residential properties	24,040	20,923
- purchase of transport vehicles	110,527	98,508
- others	49,893	136,688
Others	-	85
Impaired financing and advances	<u>225,698</u>	<u>320,418</u>





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**A10. Financing and Advances (Contd.)**

**A10j. Movements in the allowance for impaired financing and advances are as follows:**

	<b>31 December 2011 RM'000</b>	<b>31 March 2011 RM'000</b>
<b>Collective Allowance</b>		
Balance at beginning of period/year	479,010	287,844
Charge to the Income Statement - net	159,762	281,169
Amount written off	(181,416)	(90,003)
Balance at end of period/year	<u>457,356</u>	<u>479,010</u>
 As % of gross financing and advances (including Islamic financing sold to Cagamas Berhad) less individual allowance and financing exempted from collective allowance by Bank Negara Malaysia	      <u>2.7%</u>	      <u>3.1%</u>
<b>Individual Allowance</b>		
Balance at beginning of period/year	25,447	1,108
Charge to the Income Statement - net	4,192	24,339
Amount written off	(15,018)	-
Balance at end of period/year	<u>14,621</u>	<u>25,447</u>

**A11. Other Assets**

	<b>31 December 2011 RM'000</b>	<b>31 March 2011 RM'000</b>
Other receivables and prepayments	30,648	51,365
Profit receivable	18,417	14,132
Deferred charges	69,849	59,160
	<u>118,914</u>	<u>124,657</u>

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**A12. Statutory Deposit with Bank Negara Malaysia**

The non-profit bearing statutory deposit is maintained with Bank Negara Malaysia in compliance with Section 37(1)(c) of the Central Bank of Malaysia Act, 1958 (revised 1994), the amounts of which are determined as a set percentage of total eligible liabilities. As at 31 December 2011, there were no Government Investment Certificates, (31 March 2011: RM190.3 million) used for Statutory Reserve Requirement purposes, as mentioned in Note A9.

**A13. Deposits and Placements of Banks and Other Financial Institutions**

	<b>31 December 2011 RM'000</b>	<b>31 March 2011 RM'000</b>
<u>Non-Mudharabah</u>		
Licensed banks	818,507	811,398
Licensed investment banks	169,061	129,806
Other financial institutions	100,221	142,647
Bank Negara Malaysia	17,840	15,216
	<u>1,105,629</u>	<u>1,099,067</u>
<u>Mudharabah</u>		
Licensed investment banks	100	157
Other financial institutions	268,044	368,332
	<u>268,144</u>	<u>368,489</u>
Total	<u>1,373,773</u>	<u>1,467,556</u>

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**A14. Deposits from Customers**

	<b>31 December 2011 RM'000</b>	<b>31 March 2011 RM'000</b>
(i) <u>By type of deposit:</u>		
<u>Non-Mudharabah</u>		
Demand deposits	2,261,763	1,189,036
Savings deposits	1,452,199	1,335,281
Term deposits	122,054	-
Negotiable instruments of deposits	11,570	13,168
	<u>3,847,586</u>	<u>2,537,485</u>
<u>Mudharabah</u>		
Demand deposits	17,131	11,286
Savings deposits	5,349	4,617
General investment deposits	12,966,863	12,585,105
Structured deposits	185,629	111,162
	<u>13,174,972</u>	<u>12,712,170</u>
Total	<u>17,022,558</u>	<u>15,249,655</u>
(ii) <u>By type of customers:</u>		
Government and other statutory bodies	4,062,824	5,881,071
Business enterprises	8,692,783	6,528,508
Individuals	3,268,764	2,532,779
Others	998,187	307,297
	<u>17,022,558</u>	<u>15,249,655</u>
(iii) The maturity structure of negotiable instruments of deposits, general investment/term deposits and structured deposits are as follows:		
Due within six months	12,223,998	11,585,122
Six months to one year	605,761	720,194
One year to three years	402,473	190,603
Three years to five years	53,884	213,516
	<u>13,286,116</u>	<u>12,709,435</u>

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**A15. Other Liabilities**

	<b>31 December 2011 RM'000</b>	<b>31 March 2011 RM'000</b>
Profit payable	100,676	94,193
Other creditors and accruals	83,969	60,638
Lease deposits and advance rental	11,805	12,898
Profit equalisation reserve	11,610	6,854
Amount due to related companies	44,526	284
Provision for commitments and contingencies	21,821	18,620
Deferred income	-	26
Provision for taxation	62,828	48,488
	<b>337,235</b>	<b>242,001</b>

**A16. Income Derived From Investment of Depositors' Funds and Others**

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>31 December 2011 RM'000</b>	<b>31 December 2010 RM'000</b>	<b>31 December 2011 RM'000</b>	<b>31 December 2010 RM'000</b>
Income derived from investment of:				
- General investment deposits	194,528	167,164	596,001	519,941
- Other deposits	121,850	95,104	333,023	251,193
	<b>316,378</b>	<b>262,268</b>	<b>929,024</b>	<b>771,134</b>

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**A16. Income Derived From Investment of Depositors' Funds and Others (Contd.)**

	Individual Quarter		Cumulative Quarter	
	31 December 2011 RM'000	31 December 2010 RM'000	31 December 2011 RM'000	31 December 2010 RM'000
<b>Income derived from investment of general investment deposits</b>				
<u>Finance income and hibah:</u>				
Financing and advances				
- Financing income	156,686	136,376	473,801	429,925
- Financing income on impaired financing	42	62	88	175
Financial assets held- for-trading	8,478	3,260	20,959	8,866
Money at call and deposits with financial institutions	19,421	17,929	66,626	54,806
Total finance income and hibah	<u>184,627</u>	<u>157,627</u>	<u>561,474</u>	<u>493,772</u>
<u>Other operating income:</u>				
Fee and commission income:				
- Commission	1,519	1,319	4,341	4,084
- Other fee income	5,390	7,783	17,519	18,003
Net gain from sale of financial assets held-for-trading	4,190	1,513	10,410	4,000
(Loss)/Gain on revaluation of financial assets held-for-trading	(2,550)	(1,080)	795	177
Foreign exchange	1,355	1	1,447	(96)
Others	(3)	1	15	1
Total other operating income	<u>9,901</u>	<u>9,537</u>	<u>34,527</u>	<u>26,169</u>
Total	<u>194,528</u>	<u>167,164</u>	<u>596,001</u>	<u>519,941</u>

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**A16. Income Derived From Investment of Depositors' Funds and Others (Contd.)**

	Individual Quarter		Cumulative Quarter	
	31 December 2011 RM'000	31 December 2010 RM'000	31 December 2011 RM'000	31 December 2010 RM'000
<b>Income derived from investment of other deposits</b>				
<u>Finance income and hibah:</u>				
Financing and advances				
- Financing income	97,943	77,822	264,743	207,705
- Financing income on impaired financing	25	35	49	85
Financial assets held- for-trading	5,147	1,802	11,711	4,283
Money at call and deposits with financial institutions	12,399	10,161	37,228	26,477
Total finance income and hibah	115,514	89,820	313,731	238,550
<u>Other operating income:</u>				
Fee and commission income:				
- Commission	941	790	2,425	1,973
- Other fee income	3,408	4,134	9,789	8,697
Net gain from sale of financial assets held-for-trading	2,545	833	5,817	1,933
(Loss)/Gain on revaluation of financial assets held-for-trading	(1,317)	(470)	443	86
Foreign exchange	760	(3)	809	(46)
Others	(1)	-	9	-
Total other operating income	6,336	5,284	19,292	12,643
Total	121,850	95,104	333,023	251,193

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**A17. Income Derived From Investment of Shareholder's Funds**

	Individual Quarter		Cumulative Quarter	
	31 December 2011 RM'000	31 December 2010 RM'000	31 December 2011 RM'000	31 December 2010 RM'000
<u>Finance income and hibah:</u>				
Financing and advances				
- Financing income	24,846	29,580	72,727	83,400
Financial investments				
available-for-sale	6,356	4,595	17,998	15,564
Total finance income and hibah	31,202	34,175	90,725	98,964
<u>Other operating income:</u>				
Fee and commission income:				
- Commission	(20)	1,003	1,660	3,328
- Other fee income	2,654	2,982	9,702	8,891
Net gain from sale of financial investments available-for-sale	2,679	426	5,117	6,483
Total other operating income	5,313	4,411	16,479	18,702
Total	36,515	38,586	107,204	117,666

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**A18. Allowance for Impairment on Financing and Advances**

	Individual Quarter		Cumulative Quarter	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
	RM'000	RM'000	RM'000	RM'000
Allowance for impaired financing and advances:				
Individual allowance (net)	1,821	2,530	4,192	12,271
Collective allowance	47,357	99,230	159,762	190,270
Bad financing recovered - net	(13,527)	(13,609)	(35,929)	(46,126)
	<u>35,651</u>	<u>88,151</u>	<u>128,025</u>	<u>156,415</u>

**A19. Income Attributable to The Depositors**

	Individual Quarter		Cumulative Quarter	
	31 December 2011	31 December 2010	31 December 2011	31 December 2010
	RM'000	RM'000	RM'000	RM'000
Deposit from customers				
- Mudharabah fund	101,977	76,738	306,381	222,768
- Non-Mudharabah fund	11,225	6,766	28,789	19,852
	<u>113,202</u>	<u>83,504</u>	<u>335,170</u>	<u>242,620</u>
Deposits and placements of banks and other financial institutions				
- Mudharabah fund	2,822	2,368	8,387	6,491
- Non-Mudharabah fund	10,701	10,631	33,155	32,845
	<u>13,523</u>	<u>12,999</u>	<u>41,542</u>	<u>39,336</u>
Others	<u>19,191</u>	<u>16,916</u>	<u>57,370</u>	<u>41,056</u>
Total	<u>145,916</u>	<u>113,419</u>	<u>434,082</u>	<u>323,012</u>



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**A20. Other Operating Expenses**

	Individual Quarter		Cumulative Quarter	
	31 December 2011 RM'000	31 December 2010 RM'000	31 December 2011 RM'000	31 December 2010 RM'000
Personnel costs				
– Salaries, allowances and bonuses	1,620	1,683	4,964	4,922
– Shares and options granted under Executives' Share Scheme("ESS")	202	123	534	352
– Others	401	467	1,240	1,254
	<u>2,223</u>	<u>2,273</u>	<u>6,738</u>	<u>6,528</u>
Establishment costs				
– Depreciation	42	55	149	144
– Amortisation of intangible assets	40	43	125	129
– Rental	150	185	474	555
– Cleaning, maintenance and security	4	13	23	36
– Computerisation cost	4	3	7	25
– Others	48	14	86	36
	<u>288</u>	<u>313</u>	<u>864</u>	<u>925</u>
Marketing and communication expenses				
– Communication, advertising and marketing	1,248	1,247	3,561	3,265
– Others	30	17	143	53
	<u>1,278</u>	<u>1,264</u>	<u>3,704</u>	<u>3,318</u>
Administration and general expenses	1,686	1,061	4,620	2,475
Service transfer pricing expenses	65,316	60,765	200,303	197,279
Total	<u>70,791</u>	<u>65,676</u>	<u>216,229</u>	<u>210,525</u>

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**A21. Earnings Per Share (EPS)**

**Basic/Diluted**

Basic earnings per share is calculated by dividing the net profit for the financial period attributable to equity holder of the Bank by the weighted average number of ordinary shares in issue during the financial period.

Diluted earnings per share is calculated by dividing the adjusted net profit attributable to equity holder of the Bank by the adjusted weighted average number of ordinary shares in issue and issuable during the financial period.

The Bank does not have any dilutive potential ordinary shares during the financial quarter and period.

	<b>Individual Quarter</b>		<b>Cumulative Quarter</b>	
	<b>31 December 2011</b>	<b>31 December 2010</b>	<b>31 December 2011</b>	<b>31 December 2010</b>
Net profit attributable to equity holder of the Bank (RM'000)	<u>60,927</u>	<u>26,347</u>	<u>159,177</u>	<u>153,428</u>
Number of ordinary shares at beginning/end of period representing weighted average number of ordinary shares in issue ('000)	403,038	403,038	403,038	403,038
Basic/Diluted earnings per share (sen)	<u>15.12</u>	<u>6.54</u>	<u>39.49</u>	<u>38.07</u>

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**A22. Business Segment Analysis**

31 December 2011	Retail Banking	Business Banking	Corporate and Institutional Banking	Markets	Group Functions and Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total operating revenue	414,367	116,797	254,771	45,154	205,139	1,036,228
Net income	336,875	83,522	29,216	40,817	73,358	563,788
Other operating expenses	(151,625)	(13,667)	(1,635)	(2,688)	(46,614)	(216,229)
Profit before provision	185,250	69,855	27,581	38,129	26,744	347,559
Provision - (charge)/writeback	(97,481)	(1,489)	6,248	391	(43,633)	(135,964)
Profit/(Loss) before zakat and taxation	87,769	68,366	33,829	38,520	(16,889)	211,595
Zakat and taxation	(21,942)	-17091	(8,457)	(9,630)	4,702	(52,418)
Profit/(Loss) for the period	65,827	51,275	25,372	28,890	(12,187)	159,177

**Other information**

Cost to income ratio	45.0%	16.4%	5.6%	6.6%	63.5%	38.4%
Gross financing and advances	11,756,392	3,961,506	1,589,323	-	(1,489,970)	15,817,251
Net financing and advances	11,456,957	3,905,018	1,580,415	-	(1,597,116)	15,345,274
Impaired financing and advances	207,444	15,492	-	-	2,762	225,698
Deposits	5,071,717	1,950,132	10,189,130	185,729	999,623	18,396,331

**A22. Business Segment Analysis (Contd.)**

31 December 2010	Retail Banking	Business Banking	Corporate and Institutional Banking	Markets	Group Functions and Others	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Total operating revenue	416,306	72,536	165,213	22,529	212,216	888,800
Net income	345,287	47,316	18,304	20,388	111,751	543,046
Other operating expenses	(143,680)	(18,856)	(654)	(2,678)	(44,657)	(210,525)
Profit before provision	201,607	28,460	17,650	17,710	67,094	332,521
Provision - (charge)/writeback	(107,949)	(21,177)	(9,192)	4,317	9,810	(124,191)
Profit before zakat and taxation	93,658	7,283	8,458	22,027	76,904	208,330
Zakat and taxation	(23,414)	(1,821)	(2,115)	(5,507)	(22,045)	(54,902)
Profit for the period	70,244	5,462	6,343	16,520	54,859	153,428
<b>Other information</b>						
Cost to income ratio	41.6%	39.9%	3.6%	13.1%	40.0%	38.8%
Gross financing and advances	10,314,071	2,900,800	1,495,378	-	(1,603,431)	13,106,818
Net financing and advances	10,032,516	2,845,243	1,480,144	-	(1,674,754)	12,683,149
Impaired financing and advances	236,736	40,096	-	-	2,759	279,591
Deposits	4,497,245	1,535,142	7,128,893	111,550	1,128,601	14,401,431

Note:

- 1 The financial information by geographical segment is not presented as the Bank's activities are principally conducted in Malaysia.
- 2 Certain comparative figures have been restated to conform with current period's presentation.

**A23a. Performance Review for the Period ended 31 December 2011**

The Bank recorded a Profit before zakat and taxation ("Pre-tax profit") of RM211.6 million for the period ended 31 December 2011 compared to RM208.3 million for the corresponding period in the previous year.

The increase in Pre-tax profit was mainly due to increase in financing income driven by growth in financing and advances, increase in fee income, investment and trading income and lower allowances for impairment on financing and advances. The increase was offset by higher income attributable to the depositors, finance cost and transfer to profit equalisation reserve.

Higher income attributable to the depositors was consistent with the increase in overnight policy rate during the financial period and higher finance cost due to senior sukuk and issuance of RM600.0 million Subordinated Sukuk Musharakah during the financial period.

In the opinion of the Directors, the results of the Bank for the financial period have not been substantially affected by any item, transaction or event of a material and unusual nature.

**A23b. Prospects for 31 March 2012**

Malaysia's economy grew at a faster pace in third quarter of 2011 to 5.8% (compared to second quarter) on the back of robust domestic demand driven by household and business spending, as well as high public sector expenditure and sustained export growth. The global economy, however, continues to face challenges from stalling major advanced economies, lack of resolution to the Euro sovereign debt crises and volatile financial markets.

Whilst not fully immune from the global headwinds, initiatives under the ETP (Economic Transformation Programme) as well as stable employment should provide support for private investment and consumption to drive forecasted domestic GDP (Gross Domestic Product) growth of circa 5% for 2011 and moderating to circa 4-5% for 2012.

On the Malaysian banking system, liquidity remains strong, and the implementation of government development projects under ETP and 10th Malaysia Plan should help lending and financing activities, especially to the Corporate and SME (Small and Medium Sized Enterprises). However, loans/financing growth in particular to the retail sector is expected to moderate as consumer spending ease on uncertain global economic sentiments and prudential measures by BNM (Bank Negara Malaysia) to rein in household debt levels.

**A23b. Prospects for 31 March 2012 (Contd.)**

Whilst the Group is cautious in its outlook given the uncertain global economic backdrop, we will maintain our disciplined approach in executing to our strategic themes to meet our Medium Term Aspirations of becoming “Malaysia’s preferred banking group with international connectivity”. We remain focused on loans/financing growth targeting profitable and viable segments, accelerating deposits growth especially low cost deposits and expanding non-interest/financing income.

**A24. Valuation of Property and Equipment**

The Bank’s property and equipment are stated at cost or valuation less accumulated depreciation and accumulated impairment losses (if any).

**A25. Events Subsequent To Reporting Date**

There has not arisen in the interval between the end of the financial period and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Bank for the current period.

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**A26. Commitments and Contingencies**

In the normal course of business, the Bank makes various commitments and incurs certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions. The commitments and contingencies are not secured against the Bank's assets.

	<b>31 December 2011 RM'000</b>	<b>31 March 2011 RM'000</b>
<b>Contingent Liabilities</b>		
Direct credit substitutes	146,819	247,796
Transaction related contingent items	679,788	413,461
Short-term self liquidating trade-related contingencies	123,951	148,770
Asset sold with recourse	1,450,041	1,589,790
Obligations under underwriting agreements	100,000	192,500
Others	23,470	14,804
	<u>2,524,069</u>	<u>2,607,121</u>
<b>Commitments</b>		
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	2,723,253	2,636,090
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	1,020,953	1,520,857
Unutilised credit card lines	498,849	464,251
Forward asset purchase	10,257	145,137
	<u>4,253,312</u>	<u>4,766,335</u>
<b>Derivative Financial Instruments</b>		
Foreign exchange related contracts:		
- less than one year	317,848	-
Equity and commodity related contracts:		
- One year or less	79,207	-
- Over one year to five years	306,995	222,526
	<u>704,050</u>	<u>222,526</u>
<b>Total</b>	<u>7,481,431</u>	<u>7,595,982</u>

## **A27. Risk Management Policy on Financial Derivatives**

### **Purpose of engaging in financial derivatives**

Financial derivative instruments are contracts whose value is derived from one or more underlying financial instruments or indices. They include swaps, forward rate agreements, futures, options and combinations of these instruments. Derivatives are contracts that transfer risks, mainly market risks. Financial derivative is one of the financial instruments engaged by the Bank both for client solutions generating revenue for future as well as to manage the Bank's own market risk exposure. The Bank's involvement in financial derivatives is currently focused on equity and foreign exchange rate derivatives.

The principal equity contracts used are equity option. An equity option is a financial derivative that represents a contract sold by one party (option writer) to another party (option holder). The contract offers the buyer the right, but not the obligation, to buy (call) or sell (put) an equity at an agreed-upon price (the strike price) during a certain period of time or on a specific date (exercise date). The principal foreign exchange rate contracts used are forward foreign exchange contracts. Forward foreign exchange contracts are agreements to buy or sell a specified quantity of foreign currency on a specified future date at an agreed rate.

As part of the asset and liability exposure management, the Bank uses derivatives to manage the Bank's market risk exposure. As the value of these financial derivatives are principally driven by profit rate and foreign exchange rate factors, the Bank uses them to reduce the overall profit rate and foreign exchange rate exposures of the Bank. These are performed by entering into an exposure in derivatives that produces opposite value movements vis-à-vis exposures generated by other non-derivative activities of the Bank. The Bank manages these risks on a portfolio basis. Hence, exposures on derivatives are aggregated or netted against similar exposures arising from other financial instruments engaged by the Bank.

### **Risk associated with financial derivatives**

As derivatives are contracts that transfer risks, they expose the holder to the same type of market and credit risk as other financial instruments, and the Bank manages these risks in a consistent manner under the overall risk management framework.

### **General disclosure for derivatives and counterparty credit risk**

Market related credit risk is present in market instruments (derivatives and forward contracts), and comprises counterparty risk (default at the end of contract) and pre-settlement risk (default at any time during the life of contract). Market related credit risk requires a different method in calculating the pre-settlement risk because actual and potential market movements impact the Bank's exposure. The markets covered by this treatment include foreign exchange and equities.



**A27. Risk Management Policy on Financial Derivatives (Contd.)**

**General disclosure for derivatives and counterparty credit risk (Contd.)**

For counterparty credit risk, the general approach is to calculate the exposure as the sum of the mark-to-market value of the exposure, plus the sum of the notional principal multiplied by the potential credit risk exposure ("PCRE") factor for the exposure.

- The mark-to-market is essentially the current replacement cost of the contract, and can be positive or negative. Where it is positive ("in the money"), the Bank has credit exposure against the counterparty; if it is negative, ("out of the money"), the value used in calculation is zero.
- The PCRE factors recognize that prices change over the remaining period to maturity, and that risk increases with time. The PCRE factors are mandated for regulatory capital purposes.

Exposure to the counterparty risk is governed by setting a credit limit to manage such exposure. This limit is governed under the Bank Risk Appetite Framework approved by the Board.

Other than credit limit setting, the Bank's primary tool to mitigate counterparty credit risk by having collateral arrangement with the counterparty. Standard market documentation governs the amount of collateral required and the re-margining frequency between counterparties. Some of the standard market documentation has link between the amount of collateral required and external ratings, as well as minimum transfer amounts. This means that if the Bank's or a counterparty's external rating was downgraded, the Bank or the counterparty would likely be required to place additional collateral. The amount required to be placed would depend upon the underlying instruments and the state of the markets, so would be different at each re-margining interval.

**Liquidity risk of derivatives**

Two types of liquidity risk are associated with derivatives: market liquidity risk and funding risk.

Market liquidity risk arises when a position cannot be sold or closed out quickly or risk be eliminated by entering into an offsetting position. In general, an over-the-counter ("OTC") market tends to offer less liquidity than an exchange market due to the customized nature of some OTC contracts. OTC contracts include foreign exchange contracts, cross currency swaps, interest/profit rate swaps and foreign exchange options while interest rate futures, equity futures and equity options are examples of exchange traded derivatives. The liquidity risk of a position can be estimated by the notional amount of contracts held and the market value of the contract position. Both the OTC and exchange markets have liquid and illiquid contracts.

**A27. Risk Management Policy on Financial Derivatives (Contd.)**

**Liquidity risk of derivatives (Contd.)**

Funding risk is the risk of derivative activities placing an adverse funding and cash flow pressure on the Bank, arising from the need to post collateral (for example, like a margin call due to mark-to-market valuations) to compensate for an existing out of the money position (Note: if collateral is not posted, the counterparty can close out their position and claim such mark-to-market loss from the Bank. This would also result in the Bank no longer being hedged).

Generally, the Bank measures and monitors funding risk through the cash flow gap analysis according to specified time interval. The Bank's access to deposits and funding markets is dependent on its credit rating. A downgrading in the credit rating could adversely affect its access to liquidity, as well as the competitive position, and could increase the cost of funding.

The primary objective of funding risk management is to ensure the availability of sufficient funds at a reasonable cost to honour all financial commitments as they fall due under normal market condition and on contingency basis.

**Derivative Financial Instruments and Hedge Accounting**

Derivative financial instruments are recognised at fair value upon inception in the statement of financial position, and are subsequently remeasured at fair value. Fair values of exchange-traded derivatives are obtained from quoted market prices. Fair values of over-the-counter derivatives are obtained using valuation techniques, including the discounted cash flows method and option pricing models. Financial derivatives are classified as assets when their fair values are positive and as liabilities when their fair values are negative.

The Bank enters into derivative transactions for hedging purposes. For all derivatives, fair value changes are recognised in the income statement. For derivative transactions that meet the specific criteria for hedge accounting, the Bank applies either fair value, cash flow or net investment hedge accounting.

At the time a financial instrument is designated as a hedge, the Bank formally documents the relationship between the hedging instrument and the hedged item, including the nature of the risk to be hedged, the risk management objective and strategy for undertaking the hedge and the method used to assess hedge effectiveness. Hedges are expected to be highly effective and are assessed on an ongoing basis to ensure that they remain highly effective throughout the hedge period. For actual effectiveness to be achieved, the changes in fair value or cash flows of the hedging instrument and the hedged item must offset each other in the range of 80% to 125%.

**A27. Risk Management Policy on Financial Derivatives (Contd.)**

**Derivative Financial Instruments and Hedge Accounting (Contd.)**

The Bank discontinues hedge accounting if the hedging instrument expires, is sold, terminated or exercised or if the hedge no longer meets the criteria for hedge accounting or is revoked.

**(i) Fair value hedge**

Fair value hedges are hedges against exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment that is attributable to a particular risk and could affect profit or loss. For qualifying fair value hedges, the changes in fair value of the hedging instrument and the hedged item relating to the hedged risk are recognised in the income statement. In the event the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of the hedged item is amortised to the income statement over the expected life of the hedged item.

**(ii) Cash flow hedge**

Cash flow hedges are hedges of the exposure to variability in future cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and could affect profit or loss. For qualifying cash flow hedges, the effective portion of the change in fair value of the hedging instrument is taken to equity as a cash flow hedging reserve. The gain or loss relating to the ineffective portion is recognized immediately in the income statement. Amounts accumulated in equity are released to the income statement in the periods when the hedged forecast transactions affect the income statement. If the hedged forecast transactions result in the recognition of a non-financial asset or a non-financial liability, the gain and loss previously deferred in equity is transferred from equity and included in the initial measurement of the cost of the asset or liability.

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**A28. Capital Adequacy**

(a) The capital adequacy ratios of the Bank are as follows:

	<b>31 December 2011</b>	<b>31 March 2011</b>
Core capital ratio	8.0%	8.0%
Risk-weighted capital ratio	13.5%	12.5%

The capital adequacy ratios of the Bank are computed in accordance with Bank Negara Malaysia's Capital Adequacy Framework for Islamic Banks (CAFIB), which are based on the Basel II capital accord. The Bank has adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk. The minimum regulatory capital adequacy requirement is 8.0% for the risk-weighted capital ratio.

(b) The components of Tier 1 and Tier 2 capital of the Bank are as follows:

	<b>31 December 2011 RM'000</b>	<b>31 March 2011 RM'000</b>
<u>Tier 1 capital</u>		
Paid-up ordinary share capital	403,038	403,038
Share premium	534,068	534,068
Statutory reserve	304,316	304,316
Retained earnings	321,666	162,515
	<u>1,563,088</u>	<u>1,403,937</u>
Less: Deferred tax asset	(139,930)	(116,298)
Total Tier 1 capital	<u>1,423,158</u>	<u>1,287,639</u>
<u>Tier 2 capital</u>		
Subordinated Sukuk Musharakah	600,000	400,000
Collective allowance *	369,452	324,004
Total Tier 2 capital	<u>969,452</u>	<u>724,004</u>
Capital base	<u>2,392,610</u>	<u>2,011,643</u>

\* Excludes collective allowance on impaired financing restricted from Tier 2 capital of the Bank of RM87,904,000 as at 31 December 2011 (31 March 2011: RM155,006,000).

**Company No. 295576–U**

**AmlIslamic Bank Berhad  
(Incorporated in Malaysia)**

**A28. Capital Adequacy (Contd.)**

The breakdown of the risk weighted assets in various categories of risk are as follows:

	<b>31 December 2011 RM'000</b>	<b>31 March 2011 RM'000</b>
Credit risk	15,927,699	14,379,718
Market risk	470,892	459,864
Operational risk	1,299,446	1,209,490
Total risk weighted assets	<u>17,698,037</u>	<u>16,049,072</u>